

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(4), Action Item

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Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR STATE-ADMINISTERED SENATE BILL 1 TRADE
CORRIDOR ENHANCEMENT PROGRAM PROJECTS, ON THE STATE HIGHWAY
SYSTEM, PER TCEP GUIDELINES
WAIVER 26-69**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for two State-Administered Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) projects, for the time periods as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project development expenditure for two State-Administered SB 1 TCEP projects, for the time periods as identified in the attachment.

BACKGROUND:

In March 2024 and June 2024, the Commission allocated \$37,419,000 in project development support for two State-Administered SB 1 TCEP projects. In accordance with SB 1 TCEP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate (PS&E), Right of Way (RW) Support, and RW Capital phase for projects allocated in March 2024 and June 2024 is June 30, 2026. The projects will not be able to meet the deadline, and the Department is requesting an expenditure time extension for the PS&E, RW Support, and RW Capital phases. The attachment shows the details of the projects and the delays that have resulted in the time extension requests.

Pursuant to the Guidelines, funds must be expended by the end of the second fiscal year following the fiscal year in which the funds were allocated. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 12 months.

Attachment

**Time Extension/Waiver – Project Development Expenditure
SB 1 Trade Corridor Enhancement Program**

Project Number: 1
Applicant: Department of Transportation
County: Shasta
District: 02
PPNO: 3597
EA: 0H920
Route: 5
Allocation Amount: \$450,000
Remaining Balance: \$7,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 06/28/2024
Allocation Resolution: TCEP-A-2324-25
Number of Months Requested: 9 Months
Extended Deadline: 03/31/2027
Department Recommendation: Support

Fix 5 Cascade Gateway / I-5 Improvements Shasta Project

The Department requests a 9-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the Fix 5 Cascade Gateway / I-5 Improvements Shasta project. The Department experienced unexpected delays in completing the project's PS&E phase.

The project is located on Interstate 5 in and near the City of Redding, from north of the Knighton Road Overcrossing to the Fawndale Road Overcrossing, in Shasta County; and near Cottonwood, at the northbound Cottonwood Weigh Station (Facility), in Tehama County. The project will add a through lane on the median side and convert it to a managed lane for part-time truck only operations in each direction, construct auxiliary lanes, widen bridges, and install an advanced lane management system in the northbound direction with overhead sign structures; and install electric vehicle charging stations at the Facility.

The project reached Ready-to-List (RTL) in March 2025. However, after RTL there were concerns that the Federal Highway Administration (FHWA) and California Highway Patrol (CHP) wanted the Department to address. FHWA informed the Department that a converted general-purpose lane to a truck only lane would require FHWA approval and add significant time to the schedule and risk denial. The Department needed additional time to coordinate with FHWA after the initial meeting to reach consensus on the part-time managed lane. Furthermore, in June 2025 the Department and CHP required additional time to discuss traffic operations. In August 2025, an Architectural and Engineering contract for a traffic engineering consultant was initiated to provide additional traffic modeling and safety analysis per CHP comments. In December 2025, FHWA approved the part-time managed lanes. In April 2026, the consultant has delivered additional traffic modeling and safety analysis, and changes to the PS&E package will be made according to the traffic studies. These changes require an additional nine months and will align the PS&E phase with the Construction (CON) phase allocation timeline. The

project anticipates re-certification for the construction contract in May 2026, allocation for the CON phase in August 2026, and approval of the contract in February 2027. To allow for any unforeseen delays, an additional month is requested. There is a concurrent supplemental funds request on this month's Commission Agenda.

Therefore, the Department is requesting a 9-month time extension for the period of project development expenditure to allow enough time to finalize the PS&E phase from June 30, 2026 to March 31, 2027.

Project Number: 2
Applicant: Department of Transportation
County: Tulare
District: 06
PPNO: 6369
EA: 48950
Route: 99
Allocation Amount: \$36,969,000 (\$32,417,000 for RW Capital and \$4,552,000 for RW Support)
Remaining Balance: \$34,453,000 (\$32,514,000 for RW Capital and \$1,939,000 for RW Support)
Phase: Right of Way Capital and Support
Allocation Date: 03/22/2024
Allocation Resolution: TCEP-A-2324-15
Number of Months Requested: 57 Months
Extended Deadline: 03/31/2031
Department Recommendation: Support

Tulare 6-lane and Paige Avenue Interchange Improvement Project

The Department requests a 57-month time extension for the period of project development expenditure for the Right of Way (RW) Capital and Support phases of the Tulare 6-lane and Paige Avenue Interchange Improvement Project. The Department experienced unexpected delays in completing the project's RW phases.

The project is located on State Route 99, in and near the City of Tulare, from south of Avenue 200 Overcrossing to north of Prosperity Avenue Overcrossing. The project will convert the facility from four to six lanes. The project will also reconstruct the Paige Avenue interchange, including roundabouts on Paige Avenue at the ramp termini, Blackstone Street, and Laspina Street, and widen shared-use paths, and close sidewalks gaps.

The project is scheduled to RTL in October 2026 as the project still has some remaining activities to complete the full scope. This time extension request is needed due to the planned schedule for RW expenditures, which extends beyond the current TCEP expenditure requirements. The project delivery schedule remains consistent with the approved Baseline Agreement, and the Department has thoroughly evaluated the critical path for RW activities to demonstrate the need for additional time to responsibly expend TCEP funds. The additional time will be utilized to complete parcel acquisitions, resolution of utility conflicts, approve relocation plans, and execute utility agreements to achieve the RW Certification by October 2026. Following certification, the Department will proceed with utility relocation activities and finalize acquisition tasks through March 2031. Resolutions of Necessity that are targeted for the June 2026 Commission meeting would begin the eminent domain process. However, order of possession judgements from the Tulare County Superior Court are anticipated by June 2027, with monetary compensation judgments finalized by March 2030. Per executed agreements, all utility owners have up to 12 months after completing relocation work to submit final invoices by March 2031. The Department anticipates completing these remaining tasks by March 2031 and construction is expected to begin in March 2028.

Therefore, the Department is requesting a 57-month time extension for the period of project development expenditure to allow enough time to finalize the RW phases from June 30, 2026 to March 31, 2031.